



Department of Justice

Acting United States Attorney Lawrence G. Brown
Eastern District of California

FOR IMMEDIATE RELEASE
Friday, March 20, 2009
www.usdoj.gov/usao/cae

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PHONE: 916-554-2706
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FOLSOM MAN CHARGED IN \$40 MILLION PONZI SCHEME

***Leader of Investment Scam Defrauded 150 Investors, Many from His Church
Second Man Charged with Impersonating a Federal Agent and Attempted Extortion***

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This case is the product of a joint investigation by the Federal Bureau of Investigation and the Internal Revenue Service-Criminal Investigations. The United States Securities & Exchange Commission assisted with this case.

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According to Assistant United States Attorney Robin R. Taylor, who is prosecuting the case, VASSALLO and others operated Equity Investment, Management and Trading Inc. (EIMT) in Folsom, soliciting investors for a "hedge fund" program. He promised investors a rate of return of 3.5 percent per month with little risk of loss.

The criminal complaint alleges that these representations were false and that VASSALLO and others operated EIMT as a vast Ponzi scheme using investor funds to make “dividend” payments to other investors and make risky loans without investor knowledge or consent. Although VASSALLO lost virtually all of the investors’ money, and ceased trading in securities in about September 2007, he lulled investors into keeping their funds on deposit by fabricating investment information and reporting positive returns. Neither VASSALLO nor EIMT was registered with the SEC.

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